

Decontrol of sugar industry

***397. SHRI RUMANDLA RAMACHANDRAIAH:** Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether in a move towards decontrol of the sugar industry, Government have decided to reduce the levy obligation on mills to 15 per cent.
- (b) if so, by when this decision is likely to be taken;
- (c) what are the other decisions being considered to help the sugar industry;
- (d) whether all the recommendations made by the High Powered Mahajan Committee last year have been fully implemented; and
- (e) if not, by when these recommendations would be fully implemented?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHANTA KUMAR): (a) and (b) Government has reduced the levy obligation of sugar mills from 30% to 15% w.e.f. 1.2.2001.

(c) Government has taken the following steps to improve the financial health of the sugar industry:

- (i) Levy obligation of sugar mills, which was reduced from 40% to 30% w.e.f. 1.1.2000, has been further reduced to 15% w.e.f. 1.2.2001.
- (ii) Customs duty on imported sugar has been increased to 60% w.e.f. 9.2.2000, along with continuance of the countervailing duty of Rs.850 per tonne, so as to restrict the inflow of sugar into the country.
- (iii) Monthly releases of free-sale sugar are being made judiciously to ensure fair realisation to sugar industry.
- (iv) Advance releases of free-sale sugar are being given to needy sugar mills to enable them to clear cane price dues of the farmers.

(v) Export of 10 lakh tonnes of sugar has been permitted in the licensing year 2000-2001 (April-March). In order to boost the export of sugar, Government has taken the following measures:-

- Sugar meant for export has been exempted from levy obligation. This exemption, which was initially available for a period of six months commencing from 1st June, 2000, has been extended upto 31st March, 2001.
- The quantity exported for commercial exports is being treated as advance freesale release to be adjusted after a period of 12 months from the date of release.
- The levy exemption on the quantity of sugar meant for commercial exports, if it cannot be availed by the sugar factory out of 1999-2000 season's production due to the completion of its levy obligation, may be availed by the concerned sugar factory from the production in the ensuing sugar season.
- DEPB at the rate of 5% of the F.O.B. value of exports of sugar has been allowed.

(vi) Government has decided to introduce futures/forward market in sugar.

(d) and (e) Government has taken decision on all the recommendations of the Mahajan Committee. 75 recommendations made by the Committee have been accepted wholly or partly or with modifications. Many of these recommendations have already been implemented, either fully or partly. The remaining recommendations accepted by Government are at various stages of implementation.

Boost for Sugar Sector

*398. SHRI K. KALAVENKATA RAO:
SHRI C. RAMACHANDRAIAH:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether agriculturists called for some booster shots in the sugar sector;